

Hello, and thank you for the opportunity to present testimony on the New York State Budget. A more open budget process sets a good precedent for future State government operations, and more work needs to be done in this area. In general, I feel New York's budget is too big, and it is expected to grow significantly over the next four years. Multi-year financial commitments previously enacted fueling growth and revenues that are not expected to grow as fast as spending show pending future budget gaps of \$4.4B in the coming year, and increasing to projected amounts of \$6.2B and \$7.9B over the next two years. The spending commitments were made in areas that were priority needs for the People of the State, but still, future budgets need to be balanced.

Individuals and families in New York are expected to meet their budgetary commitments with discern, discretion, and common sense controls, and frankly, spending within their means..... The present condition of the New York State budget fails to abide by the same guidelines that individuals and families are expected to live by, and it shouldn't be anticipated by these individuals and families to have to set aside greater and greater amounts of their personal and family earnings to satisfy the unending appetite of the Legislature to remove monies from family budgets and transfer them to the spending priorities of the State, with such abandon, and with no end in sight.

Too much focus is being placed on the need to make up State budget shortfalls instead of placing the focus on minimizing the budget totals in the first place, and this principle and change in priority needs to be applied as the primary directive of the entire budget process. The process needs reform in greater accountability and transparency in fiscal decision making, more affordable and equitable local tax burdens, and more effective use of State resources.

Any Legislator who sits in the budget process happy to be reallocating family funds to the greater good to satisfy spacial interests and programs of dubious value and application needs to stop.

The State leaders need to maintain the commitments that have been made, and leave capacity for future needs that may arise to be funded, just like families and individuals in the State. Identify and adopt measures to make spending more cost effective in other areas to yield much needed financial plan savings.

Many of my ideas will need to examine the principles that Legislators bring to the budget process, for they will be met by untold political opposition from entrenched special interests. In the end, elected officials have to choose to sustain inefficient services by raising taxes and financial gimmicks, or exercise political backbone and leadership necessary to limit spending to programs that effectively serve the public.

- **Institute across the board 3% to 5% cuts in every New York State department and program to reduce spending, encourage thrift, and concentrate spending priority thru scarcity principles of resources.**
-
- **The STAR Program is a wonderful example.** Don't have State Legislators sending me "refund" checks at around election time, purporting to tell me what a wonderful job they are doing in Albany by returning my money to me, when they could have reduced the budget and not make it necessary for them to have to go to the time and trouble of returning money that I already consider to be mine back to me in the first place, in order to curry political favor and votes.
- **Continue to restructure Medicare to target benefits to just the neediest New Yorkers for annual savings of almost \$2B dollars.** New York spends far beyond the national average on its Medicaid program in total and per beneficiary. We account

for 14 percent of Medicaid spending nationally while serving just 8.5% of all beneficiaries, making us 69 percent above the national average.

- **Reduce non-competitive institutional rates.**
- **Close eligibility loopholes for the non-poor.**
- **Reduce excessive overutilization of services.**
- **Reduce the funding for Executive Directors of State Non-Profit organizations.** These individuals enjoy \$125,000.00+ salaries and vehicle benefit perks while the line employees are performing the necessary work in direct care settings at minimal scab wages, and such executive compensation is unnecessary and excessive in the dispensing of these services.
- **Reduce State operations costs by restructuring fringe benefits for employees saving \$1.1B**
 - Restructure Health Insurance Programs in line with public sector programs. Require more individual contributions to benefits costs.
 - Restructure Pensions NYS Employees and retirees have overly generous pensions when compared to other public and private workers. Require actuarially calculated annual payments to future retiree and health care benefits, like the private sector. This will bring these hidden costs in to the total budget process, and force better decisions to be made in the allocation of State funds. This measure would also maintain the State's Bond Ratings from bond rating firms and banks, who will consider these future obligations in their lending decisions, whether or not these future costs are stated as a line item in the State budget.
 - Scrap the Empire Zone Program The tax credits are totaling \$558M in FY2007, and are not making NY companies better off, as only 30% of Empire Zone recipients met or exceeded employment targets.
 - Scrap the Centers of Excellence Programs. These Centers are less successful than hoped, and they should be eliminated.
 - Define more narrowly State Disability Retirement criteria.
- **Increase the State Employees Work Week.** Move to a 40 hour week to realize productivity gains across the board.
- **Streamline Purchasing and other back office functions.**
- **Reduce and Restructure ineffective economic development programs.**
- **Phase out State Aid for the Wealthiest 10% of School Districts.**
- **Develop a more comprehensive Capital Plan.**
- **Reduce the size of the Prison System and seek alternative methods of incarceration.**
- **Streamline the Judiciary programs in the State. Simplify the Unified Court System in NYS.**

Move to the budget process with an eye towards cutting programs and scaling back spending. This novel approach will apply benefits to fiscal restraint and preserve family and individual incomes in the State.

Thank you for taking a few moments to review my offered testimony.